

CITY COMMISSION WORKSHOP GOALS

Senior Center Art Room
January 20, 2010 6:00 p.m.

I. Call to Order

Mayor Fred Costello called the meeting to order at 6:08 p.m.

Present were Mayor Fred Costello, Commissioners Lori Gillooly, Troy Kent, Ed Kelley, and Bill Partington, City Attorney Randy Hayes, City Manager Joyce Shanahan, and Assistant City Manager Ted MacLeod.

II. Ground Rules for the Workshop

Mayor Costello stated that the ground rules were familiar to the Commission.

III. Departmental Work Projects for 2010

City Manager Joyce Shanahan stated that she would like to see a higher level of strategic planning by reviewing the mission and vision of the city, core values, and developing goals and strategies from there. She stated she saw this year as an implementation plan of the top five priorities to be accomplished within the calendar year.

Ms. Shanahan stated a 15-20% dip was expected in assessed property values again this year. She stated there would be about a \$1.6 million decrease in ad valorem revenue, which would present a challenge for us.

Ms. Shanahan stated that pension costs would be about \$700,000. Currently, she stated they were looking to secure the services of an actuary and pension attorney to help look at ways to reduce pension costs, such as potentially closing the general employees' defined benefit plan to new hires in January 2011. She stated that the new hires would be moved to a defined contribution plan whereby they would share the risk with the city.

Ms. Shanahan suggested the Deferred Option Retirement Plan (DROP) should be reviewed to determine whether or not the city could continue the sustainability. She stated her biggest concern with the DROP was the guaranteed interest rate of 6.5% on their money, as the city was paying out more interest than it was earning.

Ms. Shanahan stated they would like to create new pension plans for the police and fire plans, but the Division of Retirement would not allow new plans to be created and we would lose the insurance tax premium money. She stated at this point in time, unless there was legislation from Tallahassee, there would not be anything done differently.

Ms. Shanahan stated that creating a defined contribution plan would cost the city more money in the beginning, which would leave a legacy in the community that there was sustainability in the pension plans. She stated that pension was a very high priority.

Ms. Shanahan stated that all three union contracts would be up for renewal this year. She stated the ability to fund the contracts would be an issue during negotiations. She stated they received the police ratification of no wage increase, which they were grateful for their cooperation.

Ms. Shanahan stated they were thankful the Commission allowed them to modify the extra duty policy allowing the police officers to work at the Speedway. She stated that the police chief recruitment was a high priority.

Ms. Shanahan stated that there had to be revenue to support enhancing or expanding any programs, as there were no funds to pay for enhancements. She stated that state revenue and interest earnings would be down, but she was pleased that staff had been able to maintain service delivery. She stated that at some point the Commission would have to make a decision to lower service delivery or increase the tax rate.

Ms. Shanahan stated they were here tonight to help prioritize next year's objectives.

Mayor Costello stated that he wished all the residents would take the time to read the departmental work projects that staff was doing, so they would know what was really going on in their city.

IV. Review of Individual Commission Suggestions

Ms. Shanahan suggested the Commission go through their objectives individually and explain them.

Mayor Costello stated that staff was able to save money this year and recommended setting it aside as a leveling fund to be used as a cushion in future years.

Commissioner Ed Kelley suggested utilizing the stabilization fund to maintain the same level of service.

Mayor Costello stated he favored the same tax rate and using up to the amount of savings last year. Commissioner Gillooly stated she favored only using half of the funds and Commissioners Kent and Kelley were not in favor of using only half. Commissioner Partington favored keeping it as low as possible.

Ms. Shanahan stated that the Commission would have many opportunities to make decisions about this during the budget season.

The Commission was in consensus to creating a defined contribution plan for new hires in the general employees' plan, with the understanding that it will cost more in the beginning.

Mayor Costello asked if Ms. Shanahan needed direction regarding the union contracts; whereby, Ms. Shanahan stated that last year one of the goals was that any increase in health insurance would be born by the employees; whereby Commissioner Kent stated he was not fine with passing the cost of health benefits on to the employees as the employees have not received a raise and continue to make less and do more with less. He stated he felt it was the wrong thing to do.

Commissioner Kent stated every year his vote for the tax rate was for the bare bones minimum, but it seemed there always ended up being an extra \$1 million. He stated he was pleased that we have the money but he did not want to continue to have this problem. He stated he wanted to get the healthcare back to where it was instead of employees paying the increased cost.

Commissioner Gillooly suggested her statement to use half of the stabilization fund was premature and maybe healthcare increases should be reviewed for funding with those funds. Commissioner Kent commented that there were a lot of people affected when they made these decisions that looked good on paper.

Mayor Costello asked for the calculation of a 2% and 3% pay raise in order to decide if that figure went for health insurance and/or salary. Ms. Shanahan suggested that the Commission should have these types of union discussions at a closed meeting. She commented that we had a fiscal responsibility to our residents and a moral obligation to the employees, which staff would work to balance.

Commissioner Gillooly's Goals

1. Development of a Public Works Advisory Board

Commissioner Gillooly questioned if two-year terms, rather than four-year terms might be more manageable for the member.

2. Pension Plans – previously discussed.

3. Preservation of Historic Structures and Parks

Commissioner Gillooly suggested we should try to develop a more proactive relationship and keep more interested groups in preservation of historic structures, which she felt would help with budget issues in the long run.

4. Foreclosure Impact

Commissioner Gillooly stated that there were concerns of neglected property with the many foreclosures within the city. She suggested developing some type of comprehensive plan.

Ms. Shanahan stated staff had been talking about registering foreclosed properties to provide a contact person for when the property was overgrown or vandalized. She stated foreclosures impacted the city, but they were beyond our core level of service delivery. She stated the city's function should be those that relate to code enforcement and police and fire protection. She stated that neighborhood stabilization programs were offered county-wide which she did not believe we should duplicate. She stated that our focus should be on neighborhood improvement issues, which we have direct control over. She stated we did not have the workforce to extend beyond that.

5. Budget

Commissioner Gillooly stated that staff would need to continue to be responsive, diligent, and successful in keeping cost under control and under budget. She stated that citizens felt the Budget Advisory Board forums were too formal and preferred a more informal, roundtable, discussion-type setting.

Ms. Shanahan stated that the Florida League of Cities set up a room with several different tables whereby the citizens could go around to those tables and have an open discussion to share their thoughts and ideas about the issues. She suggested that that might be an alternative to consider during the next budget process.

Mayor Costello suggested a horseshoe-shaped table alternating the Commission and Budget Advisory Board members might empower the

citizens to feel more comfortable. He suggested setting up a joint meeting with the Commission and Budget Advisory Board with public input.

6. Audience Remarks

Commissioner Gillooly commented that citizens should be able to speak three minutes on any subjects or the same subject as many times as they wished. She stated that she noted the speaker constantly watched the clock ticking on the projection screen and she requested another placement of the clock so the speaker did not have to turn his head to see it.

Commissioner Kent's Goals

1. Beach Access/Beach Parking

Commissioner Kent stated he felt this should be one of the top five because the citizens were screaming for it and it was time for it.

Ms. Shanahan stated that consensus on beach access parking acquired through a voter referendum and General Obligation Bond (GOB) gave her more direction on how to proceed. Commissioner Kent stated he was fine with a voter referendum, but he wanted it to happen this year. She said that the first step was a telephone survey to determine the citizen interest before proceeding to a voter referendum and GOB issue. She stated the Trust for Public Lands would help pay for it, which would help position us.

Ms. Gillooly asked if the city was obligated by involving the Trust for Public Lands; whereby, Ms. Shanahan stated no and that part of the process was helping with the telephone survey and the formulation of referendum questions based on the response from the survey. She suggested getting the question addressed and moving forward, as there were two parcels to consider, the Surfside Motel and Days Inn sites.

2. Galvanized Piping Replacement

Commissioner Kent stated that the city produced a premier water product and then sent it through the old galvanized piping. He suggested starting a program to replace the old piping system, even if it meant another increase to the customers.

3. Energy Savings

Commissioner Kent stated he felt the city could save 5% from last year's energy costs. He suggested the managers receive a printout of the energy usage each month to let them know if they were over/under the desired usage.

Commissioner Kelley's Goals

1. No property tax rate increase

Commissioner Kelley stated that previous Commissions did not increase the water rates when it was necessary for pipe replacement, as they felt growth was causing the problem and not renewal and replacement of the existing system. He favored replacing the galvanized piping system.

2. Organization/Reorganization

Commissioner Kelley stated he felt reorganization should be ongoing.

3. Pension issues

Commissioner Kelley stated he was on board with creating a defined contribution pension plan for new hires.

4. Unification of Services

Commissioner Kelley stated that at some point, the Commission would have to look at unification of services, as cities would be falling in financial difficulties or service levels would be decreased.

Ms. Shanahan stated that unification of services had to be a collaborative effort with other communities who were willing to partner together with us. She stated a good example was dispatch where the communities worked towards a centralized dispatch model. She stated that unification of services was her priority but she could not do it alone as one manager.

Commissioner Kelley stated that the Commission could build rapport with other elected officials and promote this through the various organizations they attended, such as the Volusia League of Cities.

5. No reduction in levels of service – previously discussed.

6. Computerized notebooks for meetings

Commissioner Kelley suggested duplexing the minutes from board meetings and/or utilizing the paper from board minutes, etc., as scratch paper. He stated he preferred viewing board minutes on the city's website.

7. Vehicle Maintenance

Commissioner Kelley questioned if we could provide service to other areas, such as Holly Hill, to do their vehicle maintenance. Ms. Shanahan stated that staff planned to have this discussion along with building permitting issues.

Commissioner Kelley stated he still felt there were ways to save money on vehicle maintenance. He stated the biggest mistake was building the building.

Mayor Costello stated the Commission wanted to continue to bid out vehicle maintenance. He noted that each time this was done; our own staff's bid was cheaper than any other bid.

Commissioner Partington's Goals

1. Hand Avenue Collector Road Upgrade and Drainage Project

Commissioner Partington stated this was his number one goal for Zone 4. He stated he favored making every effort to secure grant funding for this project this year.

2. Maintain same tax rate – previously discussed.

3. Website expansion

Commissioner Partington stated that the city's newsletter was sent to thousands of people each week which kept people abreast of city activities. He stated that constant communication between the city and its residents was very important, and he favored putting as much information on the website as possible.

Commissioner Kelley stated that he googled ormondbeach.org and went to another website that was not related to the city website. He suggested letting people know what was there and how to use it. Ms. Shanahan stated that staff had a booth at city sponsored events that showed the website and explained how to access it. She stated it gave people an opportunity to see the webpage and sign up for e-mail.

4. League of Cities Achievement Awards

Commissioner Partington questioned why someone could not be nominated more than once; whereby, Commissioner Kelley stated he nominated Kelly McGuire for Employee of the Year.

Mayor Costello's Goals

1. Ormond Crossings

Mayor Costello stated he would like to see Ormond Crossings fully permitted with pre-permitted sites so businesses could come in and get started.

Ms. Shanahan stated that there were five things coming before the City Commission on February 2 and 16: 1) CRA amendments, 2) DRI extension; 3) remedial amendments; 4) a stipulation settlement

agreement; and 5) a development agreement. She stated we should hear back from the Department of Community Affairs by mid April. She stated the next step was the site plan for rezoning, and then some of the buildings could be ready to go.

2. Beachfront park

Mayor Costello stated he was ready to vote for beachfront property without a referendum, and he has had many residents tell him that they wanted us to get moving on the beachfront park. He stated there were two sites, the Surfside Motel and old Days Inn, which the CANDO folks preferred the Surfside site. He stated the Trust for Public Land could make things happen quickly. He suggested the city contact Volusia County, Racing and Recreation District, ECHO, Volusia Forever, and the Port Authority for possible financing.

Ms. Shanahan stated that the Trust for Public Land had monumental experience in negotiating the sale of property.

Commissioner Kent stated he was on board with Mayor Costello regarding beachfront property.

Mayor Costello stated that the Trust for Public Land would set a window of time for us to act.

Commissioner Gillooly stated she supported the telephone survey.

Mayor Costello stated if a citizen's group decided to campaign against the Days Inn site, because they felt it was too far south, then they needed to know that before we started the process.

3. Hand Avenue Overpass

Mayor Costello stated he felt the Hand Avenue overpass needed to be one of the top five goals because Granada Boulevard would continue to be an issue every year. He stated we were on record that infrastructure had to be in place before any new development occurred.

Ms. Shanahan stated that staff had been working with Consolidated Tomoka Land Company (CTLC), the City of Daytona Beach, Volusia County, and FDOT regarding a concept for a Private Development and Environment (PDE) study, which was all that was likely to be done this year. She stated that the issue was not necessarily with the City of Daytona or CTLC, as it was with the Volusia Growth Management Commission (VGMC) and the cross jurisdictional traffic impact. She stated that staff was waiting for a traffic study at this time.

Mr. Ric Goss, Planning Director, stated that the revised application by CTLC asked for a land use designation which was very similar to the one they had in unincorporated Volusia County. He stated that their land use designation in Daytona Beach had a higher density. He stated they had capped their density based upon the entitlements that they had in the County. He stated that CTLC intended to transfer the entitlements to other lands in Daytona Beach that would be served by Daytona Beach water and sewer into the Interchange Boulevard and SR40 entitlements. He stated the issue was not the entitlements, but the impact of the entitlement and cross jurisdictional impact.

Mayor Costello stated he favored doing everything possible to push the Hand Avenue overpass, which would take maybe 20 years, to show them that the city was not trying to stop their development. He stated that he favored accepting the impact transfers if there was something that would lessen the traffic impact, otherwise he favored going to VGMC to stipulate we did not want any development affecting Granada Boulevard until the mechanism for mitigating the traffic was in place because of the inter-jurisdictional issues of the transfer of the allowable density.

Mr. Goss stated that the comp plan amendments would be in regard to the entitlements, as density was not the issue. He stated that the intent of the first revision of the application was that after the first 1,000 certificates of occupancy, Tymber Creek Road or Stagecoach would be extended all the way to LPGA Boulevard; and by the second 2,000 CO's, Stagecoach or Tymber Creek would be constructed. He stated the network would be in with regard to their impact going north and south. He stated their impact to us regarding Hand Avenue was fractional. He stated they had indicated that they could widen SR40, but a feasibility study by FDOT had been done since then that showed it to be more costly and less effective than extending Hand Avenue and widening SR40 from Williamson out to Shadow Run, which was a new alignment from Hunter's Ridge into Stagecoach. He stated the realignment of Hand Avenue was a better approach than widening SR40 from Nova out.

Mayor Costello stated that a previous Commission took this project off because they felt it would stimulate growth.

Ms. Shanahan stated that PDE or some sort of funding was all that could be accomplished this year and she did not want them to be disappointed by not achieving their goal; whereby, Mayor Costello

stated he wanted this project on their radar and would be doing everything possible to expedite the project.

Mr. Goss stated that they had been pushing this both at the Long Range Transportation Plan (LRTP) meeting and at Make Your Mark. Mayor Costello encouraged the audience to go to a Make Your Mark meeting.

Mayor Costello stated that the MPO came up with a unified methodology to calculate traffic impacts and the MPO stipulated that any community that did not use the unified methodology would not get any money. He stated that all the communities were using the unified methodology to calculate traffic impacts the same way. He stated that one traffic study would be accepted by multiple jurisdictions which meant when the traffic study was done and the traffic impacts were shifted, the only way to mitigate it would be to the Hand Avenue extension.

4. Hand Avenue between US1 and Nova – done.
5. John Anderson – done.

V. Development of Consensus on Goals

Mayor Costello summarized the goals for next year:

1. Same tax rate using a revenue stabilization fund
2. Reduce pension costs by creating a pension plan for new hires and determining whether or not to continue the DROP
3. Replace galvanized pipes and other infrastructure pertaining to pipes, roads, and drainage
4. Unification of services
5. Beach park/parking

Commissioner Kelley suggested that the same tax rate with the same level of service was desired; whereby, Ms. Shanahan stated that she could not guarantee the same level of service. She stated she took the goals very seriously and her concerns were about the same tax rate, same level of services, and unification of services, which were dependent on collaborative efforts of the community.

Mayor Costello suggested that Ms. Shanahan's leadership could help assist in the collaborative effort.

Mayor Costello stated he did not favor laying off employees, but he wanted to use our employees better. He stated that they needed options to review.

Commissioner Kent favored adding one more goal which would be a 5% reduction in energy; whereby, Commissioner Gillooly suggested that would be part of the same tax rate.

Mayor Costello stated that the same tax rate would include energy saving, vehicle maintenance, staffing, insurance, pay raises, and other benefits. He asked the Commission if they wanted to ask the legislature to allow police and fire pension plans to use premium tax dollars for existing benefits; whereby, Ms. Shanahan suggested sending a letter of support.

Mayor Costello stated he wanted staff to calculate a 1% increase in water/sewer rates to see what could be done with that money or maybe dedicating a certain percentage to pipes.

Mayor Costello suggested asking Chief Longfellow to prepare a plan for partnering with other communities for unification of services.

Commissioner Kelley suggested an assessment for beachfront property for everyone; whereby, Ms. Shanahan stated that an assessment on the tax bill was a clear delineation of what the amount would be used for.

Commissioner Partington suggested including a comparison of the cost of the pensions for the last five years in the letter to the legislature. He stated that we needed support from our citizens, as well. Commissioner Gillooly suggested involving other cities, too.

VI. Direct Staff to Develop a Follow-up Action Plan for Goals Implementation

Ms. Shanahan stated that she would bring back a formal disposition document of goals for the Commission to review.

VII. Other Commission Issues

Commissioner Kelley stated his concern that people were filling out a comment card and giving it to someone else to use, and then leaving the meeting; whereby, Mayor Costello stated he would not allow that, but he did not have a problem with neighbors, husbands or wives, to articulate their concerns.

Mr. Randy Hayes, City Attorney, stated that under the current rules that Audience Remarks were limited to 30 minutes at the beginning of the meeting and then at the end of the meeting. He stated the rules encouraged

a representative to speak on behalf of a group. He suggested redefining the rule; whereby, Mayor Costello stated the Commission did not want to make a change at this time, as it had only happened a couple of times. He requested that they let him know if the person that signed the card was not in attendance.

VIII. Close the Meeting

The meeting was adjourned at 7:40 p.m.

Transcribed by: Lois Towey